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# From the Desk of Karl Denninger

September 18, 2007

President George Bush  
The White House  
1600 Pennsylvania Avenue  
Washington DC  
By fax: 202-456-2461

Dear President Bush

Today I saw our currency sacrificed in an attempt to “save” a few investment bankers who have intentionally hidden their exposure to bad lending practices.

Ben Bernanke, who you appointed as head of the Federal Reserve, cut the Fed Funds Rate by 50 bips along with the discount rate.

I had predicted that such a cut would have *catastrophic* consequences for the strength of The Dollar, *and it has.*

The consequence for the dollar, *and for the price of every single item we import in this nation, was instantaneous and permanent.*

In short, Ben Bernanke **has destroyed our economy by attempting to save a handful of people on Wall Street and lenders WHO YOU SAID WOULD NOT BE BAILED OUT!**

**President Bush, YOU LIED.**

**And now we are all going to pay.**

With \$5/gallon gasoline. With \$5/gallon milk. With huge increases in everything we buy, most of which is produced either overseas or with overseas components. Everything, from computers to cars to tires to food.

**IT IS ALL GOING TO SKYROCKET BECAUSE YOU DID NOT KEEP YOUR PROMISE.**

**You said, twice in two days, that speculators would not be bailed out. You told us that those who took inappropriate risk would be forced to eat their bad bets.**

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September 18, 2007

Page 2

Here is a chart of today's action of the dollar – the instantaneous result of Ben Bernanke's economic policy, *which you put in place and are responsible for*:



President Bush, I have voted Republican for 20 years. I am a donor to Gingrich's Republican Revolution and have one of his "Speaker's Gavels" on my desk.

This coming Presidential election cycle, I am voting for a Democrat.

At least when I vote for a Democrat I know that I'm going to get bent over the table and my nation will be debased. I know that my economy will come under attack. I know I will get higher taxes. I know all these things, because that's what Democrats stand for.

**What I don't get is lied to, nor do I get attempts to destroy the nation's currency for the benefit of a few "Fat Cats" on Wall Street, bringing us another 1970's style stagflation environment – something that YOUR APPOINTEE has now insured.**

**You have the power to remove Mr. Bernanke from office. I do not expect you to do so, but if the Republicans have any desire for my vote, rates must be raised – not lowered – and the dollar defended, not destroyed. Since Mr. Bernanke has proven that he has not the interests of the Citizens of this Nation at heart, but rather those of a few "Wall Street" buddies, he needs to be removed from office – immediately.**

Sincerely,

Karl Denninger

<http://www.denninger.net/bush-destroys-dollar.pdf>